

Exhibit A

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

PREMIER ELECTRONICS, L.L.C.,		
Plaintiff,		CASE NO. 3:18-cv-2036-S
v.		
ADT LLC,		
Defendant.		

VIDEOTAPED ORAL DEPOSITION OF
PHILIP COURTNEY HOGAN, CPA, ABV, CFF
DECEMBER 13, 2019
VOLUME 1

VIDEOTAPED ORAL DEPOSITION of PHILIP COURTNEY
HOGAN, CPA, ABV, CFF, produced as a witness at the
instance of the Defendant, and duly sworn, was taken in
the above-styled and -numbered cause on the 13th day of
December 2019, from 9:11 a.m. to 11:16 a.m., before
TAMMY DICKSON CROSS, a Certified Shorthand Reporter in
and for the State of Texas, reported by machine
shorthand, at the law offices of Bennett, Weston, LaJone
& Turner, P.C., 1603 LBJ Freeway, Suite 280, Dallas,
Texas 75234, pursuant to the Federal Rules of Civil
Procedure and the provisions stated on the record or
attached hereto.
Job No. CS3815132

1 Q Okay.

2 A -- out of 720 --

3 Q Okay.

4 A -- so that -- I can do the math.

5 Q Got it.

6 MR. BOOS: Let's take five minutes.

7 THE VIDEOGRAPHER: We are going off the
8 record at 10:12 a.m.

9 (Recess taken from 10:12 to 10:29 a.m.)

10 THE VIDEOGRAPHER: We're going back on
11 the record at 10:29 a.m.

12 Q (BY MR. BOOS) Mr. Hogan, do you have any
13 knowledge as to whether or not the Phillips Creek Ranch
14 paid Premier in full for the monitoring services
15 provided by Premier through July 2016?

16 A I believe I understand they have.

17 Q Okay. Are those payments --

18 A Not --

19 Q -- reflected in your -- any of your
20 schedules?

21 A No.

22 Q Okay. Okay. Let's talk about the security
23 monitoring net revenue schedule. Okay?

24 A Okay.

25 Q Okay. Safe to assume that the list of

1 what I'm calling the bulk monitoring agreement, had a --
2 you know that that had a 36-month term attached to it,
3 correct?

4 A The bulk?

5 Q Yes, the bulk.

6 A With the --

7 Q With PCR.

8 A Oh, no. I'm not aware of that.

9 Q Okay. I'm going to represent to you that it
10 did have a 36-month term with the option to renew for
11 either party.

12 A Okay.

13 Q Well, actually, it auto -- let me rephrase
14 that.

15 It automatically renewed unless one of
16 the parties gave notice.

17 A Okay.

18 Q Okay. So fair to say then that that contract
19 had a potential for a hundred percent attrition rate
20 every three years?

21 A I have to -- I -- I don't know the legality
22 because I'm not an attorney.

23 Q Well, I'm not asking you about the legal
24 aspect. I'm asking about the calculation --

25 A If it's --

1 Q -- the valuation --

2 A If it's allow -- if it allows for the total
3 termination under that agreement, then that would stop
4 at that particular point.

5 Q Okay. So that would be a hundred percent
6 attrition rate at that point?

7 A That could be.

8 Q Okay. So purposes of your amended report,
9 again, ignoring the supplemental report, are you relying
10 on Mr. Griffith's RMR calculations to any respect -- in
11 any respect?

12 A Not in my original report.

13 Q Okay. Okay. Do you intend to offer any
14 opinions at trial on whether or not Premier suffered
15 damages to its future business relations with respect to
16 the Light Farms community?

17 A I do believe that will be later supplemented.

18 Q Okay. So you intend to issue another
19 supplemental report related to the Light Farms
20 damages?

21 A That's my understanding.

22 Q Okay. How about do you intend to offer any
23 opinions at trial with respect to damages suffered at
24 the Walsh community?

25 A I believe so.

Page 102

Premier Electronics, L.L.C. v. ADT LLC

Philip Courtney Hogan (#3815132)

E R R A T A S H E E T

PAGE _____ LINE _____ CHANGE _____

see attached sheets

REASON _____

PAGE _____ LINE _____ CHANGE _____

REASON _____

PAGE _____ LINE _____ CHANGE _____

REASON _____

PAGE _____ LINE _____ CHANGE _____

REASON _____

PAGE _____ LINE _____ CHANGE _____

REASON _____

PAGE _____ LINE _____ CHANGE _____

REASON _____

PRH *1/25/20*

Philip Courtney Hogan

Date

1 Premier Electronics, L.L.C. v. ADT LLC

2 Philip Courtney Hogan (#3815132)

3 ACKNOWLEDGEMENT OF DEPONENT

4 I, Philip Courtney Hogan, do hereby declare that I
5 have read the foregoing transcript, I have made any
6 corrections, additions, or changes I deemed necessary as
7 noted above to be appended hereto, and that the same is
8 a true, correct and complete transcript of the testimony
9 given by me.

10 
11 _____

12 Philip Courtney Hogan

11 
12 _____

13 Date

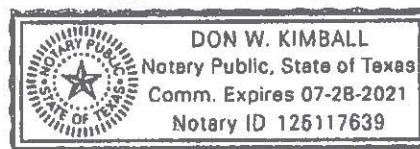
13 *If notary is required

14 SUBSCRIBED AND SWORN TO BEFORE ME THIS

15 22 DAY OF JANUARY, 2020.

16
17
18 
19 _____

19 NOTARY PUBLIC



PREMIER ELECTRONICS LLC V ADT LLC

Philip Courtney Hogan Deposition Corrections

Page	Line	Change	Reason
37	5	I have since learned that gross attrition is the total clients that have fallen off	To update and clarify
37	10	I have since learned that net attrition is the total attrition less the new customers added	To update and clarify
38	19	I have confirmed that to the best of Shawn Griffin's knowledge that only two customers dropped	To update and clarify
41	20	Weight cost of capital is defined as the calculation of a firm's cost of capital in which each category of capital is proportionately weighted, all sources of capital including common stock, preferred stock, bonds and other long-term debt are included in a WACC calculation	To update and clarify
42	7	Weight cost of capital is not applicable in this damage model. This is a calculation of lost revenue that should be discounted to present value. With regards to the discount rate the appropriate rate is prime plus one-half percent, which comes to four and a half percent	To update and clarify
43	14	I have been informed that Premier is an LLC	To update and clarify
44	20	Hurdle rate would be similar to the cost of capital	To update and clarify
49	10	I have since learned that there were some three-year contracts, however, do the renewals I do not believe this effect my calculations in a meaningful way	To update and clarify
54	25	After reviewing the sheets, it would be my opinion that Mainvue Homes owns these properties.	To update and clarify
55	4	I have since learned that Mainvue Homes were billed under the bulk billing agreement	To update and clarify
60	25	I have since learned Premier carries a three-million-dollar liability policy	To update and clarify
61	18	I have confirmed with Mr. Griffin that only one or two homes have canceled this service since the Phillip Creek Ranch project started.	To update and clarify
62	1	I have since learned that Premier does not incur any cost to delete a customer	To update and clarify
62	6	I have since learned that Premier does provide technical support which is billed as a separate service	To update and clarify

PREMIER ELECTRONICS LLC V ADT LLC

Philip Courtney Hogan Deposition Corrections

62	14	I have since learned that every homeowner must pay for a permit. The only other permits cost that Premier incurs is very minor	To update and clarify
62	25	I have since learned that in each house there maybe 30 openings and therefore it would seem there could be up to 740 homes times 30 or 22,200.	To update and clarify
63	3	It is my understanding that the builder either installed the monitoring themselves or Premier was reimbursed for its cost of installation.	To update and clarify
63	10	I have since learned that some builders were invoiced as an installation was completed.	To update and clarify
63	25	It is my understanding that Premier breaks even on its prewiring and installation.	To update and clarify
66	21	The contracts for service were between Premier and the homeowners and therefore a valid termination had to come from the homeowner. Therefore since there was no such termination then the damages due the would not be changed	To update and clarify
67	8	I have since learned that about 30 customers generating around \$450 a month have continued to use Premier's services	To update and clarify
68	4	I have since learned that cellular transmitter is used to send the signal to the monitoring station	To update and clarify
68	25	I have since learned it is for a variety of services to automate the homeowner's house	To update and clarify
70	19	I have since learned that Mr. Griffin's believes this would be at a lower rate.	To update and clarify
71	3	I have since learned that Premier did install their own secondary control boxes.	To update and clarify
71	10	It is my understanding that security monitoring was billed to the homeowner's association and other services were directly to the homeowner.	To update and clarify
73	22	I have since learned that there were a few homeowners at various times that got behind, but a very minor portion of customers and that would only be for the other services customers	To update and clarify
74	13	I have since learned that the homeowner's association continued to pay for the security monitor regardless of whether or not the	To update and clarify

PREMIER ELECTRONICS LLC V ADT LLC

Philip Courtney Hogan Deposition Corrections

		homeowner was current with their homeowner dues.	
77	21	I have since learned that Premier does not incur any cost regarding NFPA 72 or very minor costs.	To update and clarify
81	8	I have since conferred with Mr. Griffin to indicate that 90% of customers renew but with a bulk billing arrangement, he believed it would be much lower than the industry.	To update and clarify
81	21	I have since learned that Premier received hundreds of calls regarding the renewals.	To update and clarify
85	21	Mr. Griffin does know his business better than I do; however, he does not know anything about calculating damages	To update and clarify
86	2	I have since learned that there were discussions with ADT	To update and clarify
86	4	I have since learned Premier and ADT never got as far as a price	To update and clarify
90	20	I have since learned that Mr. Griffin sold about 2000 accounts to Pelican Security for 40 times recurring monthly revenue.	To update and clarify
92	12	I have since been informed that geographical difference, credit rating, housing income and average property prices can affect the selling multiple	To update and clarify
93	21	There would not be the potential of 100% attrition rate every three years. The contracts for service was between the homeowner and Premier. Should the bulk billing agreement terminate, then Premier would have to bill the homeowner directly.	To update and clarify
94	7	Again, the contract for services was between the homeowners and Premier and therefore the termination would not invalidate the agreements	To update and clarify